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AGRICULTURAL IMPORTS OF THE EUROPEAN COMMON MARKET

by

Jiryis S. Oweis
and
Alex D. Angelidis

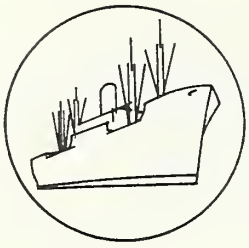
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SPECIAL in this issue

AGRICULTURAL IMPORTS OF THE EUROPEAN COMMON MARKET

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Jiryis S. Oweis and Alex D. Angelidis 1/

Concern about the possible effects of the European Economic Community's (EEC) farm policy on world trade in agricultural products has now assumed international proportions. This vast new experiment -- European economic and possibly political integration -- is a going organization and will become a more inclusive economic union despite French unilateral rejection of the British application to enter this large market.

Previous articles in this publication discussed the magnitude of U.S. agricultural trade with the EEC and some of the major developments (October 1962), particularly the long-term effects of EEC grain policies (January 1963), that will affect the future of such trade.

This study reviews the trends and changes in the volume and pattern of EEC imports of selected agricultural commodities, important in U.S. trade, over the decade ending in 1961, and comments on prospects for U.S. exports to the six-country group. 2/ Although the EEC began January 1958 and inaugurated its Common Agricultural Policy on July 30, 1962, the terms EEC and European Common Market in this study refer to the 6-member group during the entire 11-year period. The EEC's farm policy is scheduled to become a common policy among the six nations by 1970.

The 1950's were a decade of expansion in the six countries now included in the EEC -- also known as the European Common Market. Their agricultural imports expanded as import-stimulating influences such as rising national incomes and unfavorable weather conditions more than offset restrictive developments like

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2/ Belgium-Luxembourg, France, Italy, the Netherlands, and West Germany.

gains in regional production and national protectionist policies. Trade among the six countries now forming the EEC grew rapidly throughout the period. The six countries increased their imports of all major commodities except wheat. International trade, as a whole, appears not to be affected so much by the existence of regional economic groupings as by the comparative rate of growth of various national economies. Gross national product increased more rapidly during the past decade in member countries of the Common Market, whereas non-member Western European countries developed more slowly. Likewise, international trade increased more rapidly among member countries of the Community than in the remaining parts of Western Europe and this is also true for trade with third countries.

The outstanding change in the pattern of EEC agricultural imports by country of origin was the movement toward a concentration on intra-regional trade at the expense of imports from the rest of the world, except for the United States. For agricultural commodities as a whole, the United States held its position in the EEC import market during the 11 calendar years from 1951 to 1961 while other countries as a group fell short of maintaining their collective share. General economic development and comparative efficiency of production in supplying countries were the major factors underlying this trend in trade pattern.

The United States did well in a large part of its agricultural exports to the Community during this 11-year period. This was true for commodities that the EEC area either did not produce at all or produced in quantities short of its needs, such as feed grains, cotton, rice, oilseeds, fats and oils, and meats. The Common Market cloud has a silver lining. As the economies of the six countries expand, the United States can look forward to larger sales of many favorably situated commodities such as cotton, soybeans, oilseed meal, hides and skins, and certain fruits. Over 60 percent of U.S. shipments to the Common Market are products admitted on favorable terms because they are not competitive with local production. New authority under the Trade Expansion Act of 1962 will help to maintain favorable U.S. access to the EEC market for wheat, wheat flour, feed grains, tobacco, poultry, eggs, and pork.

Agricultural and Nonagricultural Commodities

EEC agricultural imports rose 39 percent in value between the early 1950's and 1961. 3/ The $8.4 billion total in calendar year 1961 compared with the average of $6 billion in the 3 years 1951-53. Nonagricultural imports rose to $23.9 billion from $9.2 billion, or by 158 percent. The growth in agricultural imports was considerably less than the increase in nonagricultural imports. Agricultural commodities accounted in 1961 for about 26 percent of all the Community's imports valued at $32.2 billion -- a smaller share than in 1951-53, when the share was 40 percent of a total of $15.3 billion. In contrast, nonagricultural imports increased to 74 percent of the total in

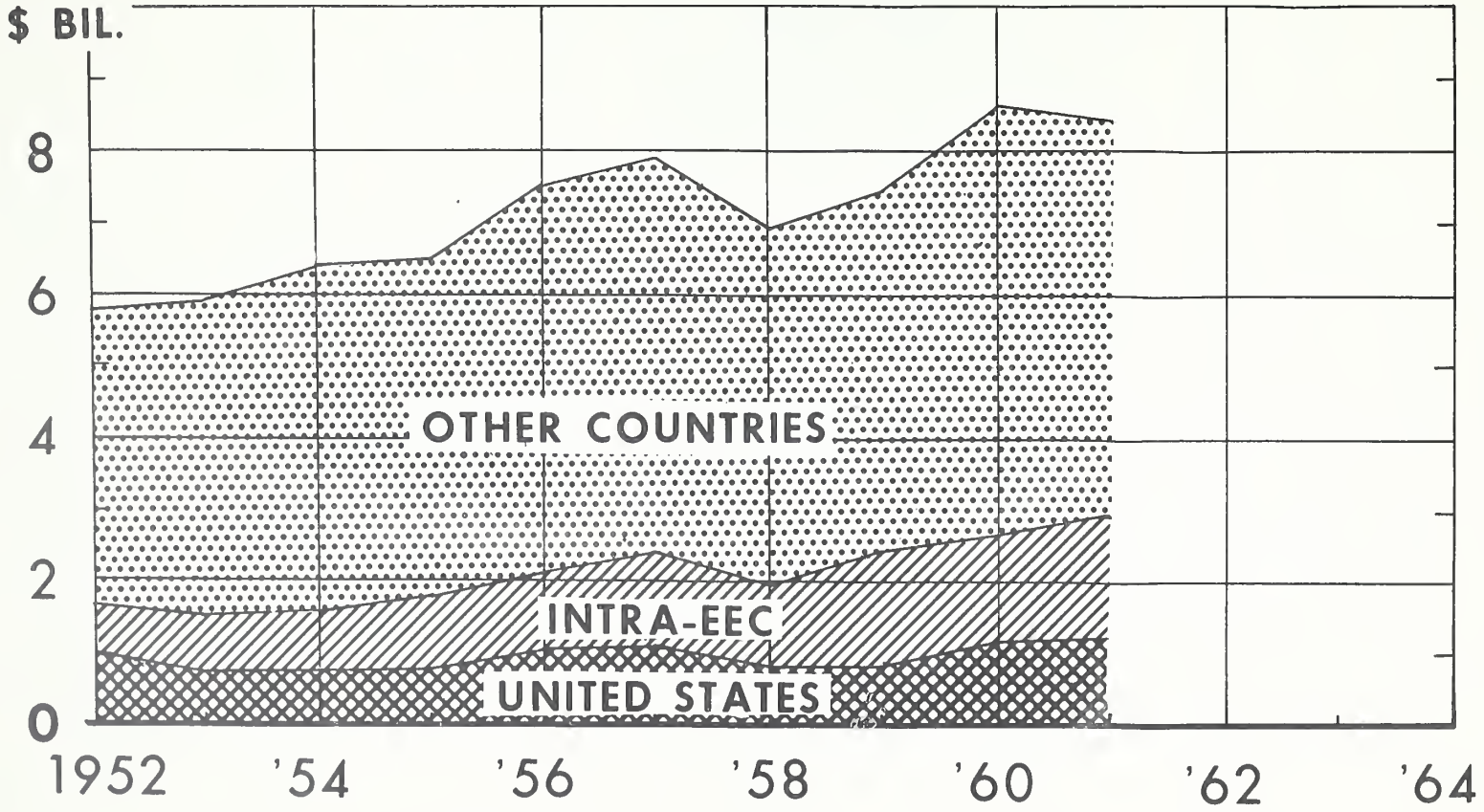
3/ The trade statistics in the 12 tables and 5 charts on which the study is based supplement those in the ERS publication Statistics on the European Economic Community -- Volume I: Agricultural Trade and Finance, published in Dec. 1962. Organization for Economic Cooperation and Development calendar year import statistics used in this study do not necessarily reflect coverage, timing, and valuation identical to those used in official U.S. export statistics or other trade statistics published by USDA.

Table 1.--European Economic Community: Total, agricultural, and nonagricultural imports by origin, value, 1951-1961

Year	Total	EEC countries 1/	Total minus EEC countries	United States	Other countries 2/
	-- Million dollars (cif) --				
Total					
1951	15,329	3,504	11,825	2,311	9,514
1952	15,374	3,633	11,741	2,190	9,551
1953	15,151	3,973	11,178	1,591	9,587
1954	16,613	4,561	12,052	1,812	10,240
1955	19,211	5,547	13,664	2,378	11,286
1956	22,328	6,326	16,002	3,084	12,918
1957	24,763	7,030	17,733	3,821	13,912
1958	22,881	6,786	16,095	2,802	13,293
1959	24,295	8,088	16,207	2,654	13,553
1960	29,621	10,145	19,476	3,832	15,644
1961	32,216	11,542	20,674	3,910	16,764
Agricultural					
1951	6,336	3/	---	1,128	---
1952	5,808	754	5,054	994	4,060
1953	5,941	810	5,131	703	4,428
1954	6,378	868	5,510	756	4,754
1955	6,453	1,076	5,377	779	4,598
1956	7,486	1,120	6,366	1,047	5,319
1957	7,928	1,296	6,632	1,154	5,478
1958	6,920	1,087	5,833	857	4,976
1959	7,427	1,360	6,067	852	5,215
1960	8,558	1,559	6,999	1,120	5,879
1961	8,359	1,716	6,643	1,231	5,412
Nonagricultural					
1951	8,993	3/	---	1,183	---
1952	9,566	2,879	6,687	1,196	5,491
1953	9,210	3,163	6,047	888	5,159
1954	10,235	3,693	6,542	1,056	5,486
1955	12,758	4,471	8,287	1,599	6,688
1956	14,842	5,206	9,636	2,037	7,599
1957	16,835	5,734	11,101	2,667	8,434
1958	15,961	5,699	10,262	1,945	8,317
1959	16,868	6,728	10,140	1,802	8,338
1960	21,063	8,586	12,477	2,712	9,765
1961	23,857	9,826	14,031	2,679	11,352

1/ Belgium-Luxembourg, France, Italy, Netherlands, and West Germany.
2/ Total minus columns 2 and 4.
3/ Not available.

EEC* IMPORTS OF AGRICULTURAL COMMODITIES BY ORIGIN



* EUROPEAN ECONOMIC COMMUNITY

U. S. DEPARTMENT OF AGRICULTURE NEG. ERS 1896-63 (4) ECONOMIC RESEARCH SERVICE

FIG. 1

1961 from 61 percent in 1951-53. EEC agricultural imports trended slowly upward throughout the decade, interrupted in 1958 and 1959, when imports did not attain the high level of 1957 at the time of the Suez crisis and in 1961 when imports dipped slightly below the 1960 level, due to smaller takings of fats and oils, feed grains, and cotton (table 1 and figure 1).

The forces bringing about the decline in the relative importance of agricultural commodities in the Community's import trade were (1) the low income elasticity of demand for food, (2) the increase in domestic agricultural production, greatly stimulated by national agricultural policies, and (3) the technological improvement in agriculture with more efficient processing, marketing, and transportation procedures.

The demand for agricultural imports has been conditioned by changes in EEC population, consumption, and production. Of these factors, the changes in production have been most significant. In the early 1950's, effective demand expanded rapidly with moderate production increases. The result was relatively large agricultural imports. In recent years, agricultural production in the Community has speeded up relative to the rate of increase in effective consumer demand, and the rate of agricultural imports has declined relative to nonagricultural imports. Changes and gains in domestic production have affected significantly the distribution of imports into the Community. In fact, intra-EEC trade in agricultural commodities from calendar year 1952 to 1961 exhibited a higher rate of growth than did any other source of supplies. Concentration of trade within the region began before the inauguration of the Common Agricultural Policy in July 1962. Intra-EEC imports more than doubled in this period as imports from the United States expanded 50 percent; and those from other countries, about 23 percent. The Common Agricultural Policy and marketing regulations will further liberalize and expand trade among member countries.

The EEC bought an average of slightly less than a billion dollars of U.S. agricultural commodities per year from 1951 to 1961. Year-to-year fluctuations ranged from a decline of 29 percent to an increase of 34 percent. Agricultural imports from the United States reached an 11-year low in 1953 but recovered in the following 4 years. After declines in 1958 and 1959, they again increased in 1960 and reached a new peak in 1961. The decline in the 3 years 1951-53 reflected gains in EEC agricultural productivity and favorable weather. The highest rate of expansion of imports from the United States occurred for those agricultural commodities that were needed to meet the Community's import requirements. The U.S. share of EEC agricultural imports dropped to 15 percent in 1961 from 18 percent in 1951 even though the value increased to $1.2 billion from $1.1 billion during that period.

For the most part, EEC agricultural imports from other countries showed a rising trend, reaching $5.4 billion in 1961 from an average of $4.2 billion in the 2 years 1952-53, an increase of 28 percent. 4/ However, the share of other countries in the EEC agricultural import market fell to 65 percent from 72 percent. Inasmuch as the United States did not gain what other suppliers lost, the EEC countries have advanced toward greater self-sufficiency over this period.

4/ "Other countries" as used in this analysis excludes EEC countries and the United States.

Cotton

The EEC countries do not produce cotton except for a very small quantity on 55,000 acres in Southern Italy -- an average of 8,000 metric tons (36,800 bales) annually during the 11 years ending in 1961. Production in Italy is 1 percent of their total consumption of more than 1 million tons (4.6 million bales). The Community is the fourth largest consumer of cotton after the United States, Communist China, and the USSR.

The Community as a whole is the world's largest market for cotton. EEC imports of cotton expanded considerably to an average of 1.3 million tons (6 million bales) in the 2 calendar years 1960-61 from an average of 894,000 (4.1 million bales) in the 3 years 1951-53. 5/ The volume of imports by the Community fluctuated over this period. In 1959, total imports made little headway relative to the low level during the 1958 recession, but advanced in 1960 because of rising consumption and a need to build up depleted stocks in EEC countries. Cotton imports declined in 1961 due to stock adjustments and a slowdown in the rate of increase in consumption (table 2 and figure 2).

The little intra-EEC trade in cotton -- almost all cotton waste -- amounted to 60,000 tons (276,000 bales) in 1961.

EEC cotton imports from the United States increased to an average of 568,000 tons (2.6 million bales) in the 2 calendar years 1960-61 from an average of 375,000 (1.7 million bales) in the 3 years 1951-53. U.S. cotton provided more than one-third of the Community's imports of cotton. There were changes in the position of U.S. cotton supplies moving into the Community between the early 1950's and 1961. The import decline in 1955 was interrelated with price differentials between U.S. cotton and that of other major supplying countries. The import increases in 1956 and 1957 were attributed to the flexibility and close alignment of U.S. prices with world prices. In 1959, EEC cotton imports from the United States dropped below the relatively low level to which they had fallen during the 1958 recession. But a good recovery took place in 1960. This revival reflected inventory rebuilding and competitive U.S. prices. There was a reduction in the Community's imports from the United States in 1961 due to the buildup of inventories that occurred in the previous year and to the change in prices. France, Italy, and West Germany took approximately four-fifths of the EEC total cotton imports.

The Community is also a highly important market for cotton coming from other countries. More than half of its cotton imports comes from such countries as Mexico, Brazil, Egypt, and the USSR. These cotton imports increased to an average of 633,000 tons (2.8 million bales) in the 2 years 1960-61 from 574,000 (2.5 million bales) in the 3 years 1952-54. There were fluctuations in imports from other countries largely due to conditions governing production and exports in the growing countries. Between 1952-54 and 1961, the proportion of EEC imports coming from the United States increased to 44 percent from 39 percent while that from other countries declined to 51 percent from 58 percent. There has been a notable increase in imports from the USSR in recent years. Lower prices for long-staple cotton resulted in larger imports from the Sudan in 1959 and Egypt in 1960.

5/ Includes cotton linters and waste as well as raw cotton.

Table 2.--European Economic Community: Imports of cotton (SITC No. 263) by origin, quantity, value, and unit value, 1951-1961 1/

Year	Total	EEC countries 2/	Total minus EEC countries	United States	Other countries 3/
	-- Thousand metric tons --				
1951	798	---	---	368	---
1952	945	22	923	445	478
1953	938	26	912	312	600
1954	1,073	33	1,040	395	645
1955	967	33	934	285	649
1956	1,082	39	1,043	335	708
1957	1,200	39	1,161	627	534
1958	1,005	35	970	432	538
1959	1,035	50	985	245	740
1960	1,327	53	1,274	618	656
1961	1,188	60	1,128	518	610
	-- Thousand dollars (cif) --				
1951	972,774	---	---	414,116	---
1952	912,484	13,863	898,621	411,042	487,579
1953	729,186	13,252	715,934	249,093	466,841
1954	837,501	15,335	822,166	298,854	523,312
1955	749,681	15,376	734,305	204,728	529,577
1956	756,096	15,248	740,848	202,461	538,387
1957	827,359	14,356	813,003	399,894	413,109
1958	659,450	11,097	648,353	264,417	383,936
1959	549,863	16,047	533,816	106,913	426,903
1960	756,703	15,930	740,773	335,158	405,615
1961	715,316	18,470	696,846	296,627	400,219
	-- Dollars/metric ton --				
1951	1,219.02	---	---	1,048.39	---
1952	965.59	630.14	973.59	923.69	1,020.04
1953	777.38	509.69	785.02	798.38	778.07
1954	780.52	464.70	790.54	756.59	811.34
1955	775.26	465.94	786.19	718.34	815.99
1956	698.79	390.97	710.30	604.36	760.43
1957	689.46	368.10	700.26	637.79	773.61
1958	656.17	317.06	668.40	612.08	713.64
1959	531.27	320.94	541.94	436.38	576.90
1960	570.24	300.57	581.45	542.33	618.32
1961	602.12	307.83	617.77	572.64	656.10

1/ Includes cotton linters and cotton waste and may not agree with other published USDA trade statistics.

2/ Belgium-Luxembourg, France, Italy, Netherlands, and West Germany. Intra-regional trade is almost all in cotton waste.

3/ Total minus columns 2 and 4.

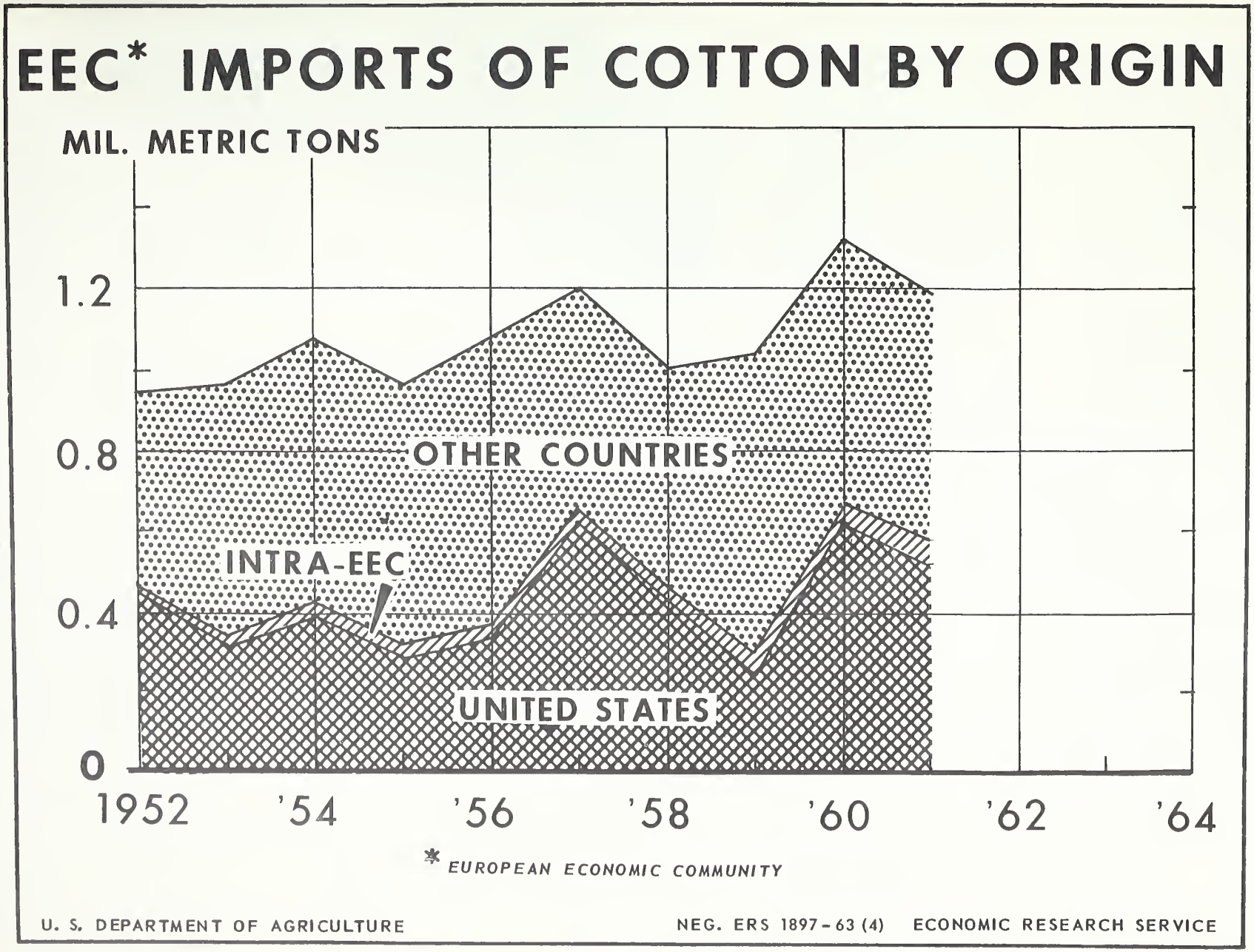

EEC* IMPORTS OF COTTON BY ORIGIN
MIL. METRIC TONS
1.2
0.8
0.4
0
OTHER COUNTRIES
INTRA-EEC
UNITED STATES
1952
'54
'56
'58
'60
'62
'64
* EUROPEAN ECONOMIC COMMUNITY
U. S. DEPARTMENT OF AGRICULTURE
NEG. ERS 1897-63 (4) ECONOMIC RESEARCH SERVICE

FIG. 2

EEC cotton imports are not affected by local production and are, in general, not subject to the common external tariff rate. It is not likely that any important changes will be made in the existing pattern of EEC cotton imports unless preferential treatment is given to the associated members. The prospects for U.S. cotton imports into the Community appear favorable. The EEC's rising income level is expected to produce a growing demand for cotton textiles. A potential threat is the EEC's rising output of manmade fibers.

Fats and Oils

The European Economic Community produced an average of 1.3 million metric tons of fats and oils (excluding butter) and consumed on the average more than 3 million tons in food and nonfood uses in the past decade. The Community is second only to the United States as a consumer of fats and oils. The Community depends on imports for about half of its need. It has taken about 42 percent of the volume traded internationally in recent years. EEC imports of fats and oils (excluding butter) expanded to 2 million tons in calendar year 1960 from an average of 1.3 million in the 3 years 1951-53. The Community's imports in 1961 totaling 1.8 million tons were 10 percent below the 1960 level. They represented 5 percent of the aggregate value of EEC agricultural imports (table 3).

Imports from countries within the region cover only a small part of EEC fat and oil requirements. The Community produces inedible animal fats used in soap and industrial products. Southern Italy is a major producing area for olive oil. Although EEC production falls far short of meeting the demand, intra-EEC trade in fats and oils has shown a consistent growth in recent years. Imports increased to 236,000 tons in calendar year 1961 from 182,000 on the average in 1952-54. Despite this 30 percent increase the intra-Community share in total imports remained virtually unchanged.

The United States, the largest single supplier of fats and oils to the EEC, provides principally soybean oil, cottonseed oil, and tallow. Except for a setback in 1958, U.S. shipments into the Community showed a strong and continued growth. Imports from the United States rose to 600,000 tons in 1960 from 264,000 on the average in 1951-53, a gain of 127 percent. The United States enlarged its share to 30 percent in 1960 from 21 percent in 1951-53. After the upward trend in the 1950's, EEC imports of U.S. fats and oils in 1961 fell 34 percent below the peak in 1960.

About three-fifths of EEC fats and oils imported are supplied by other countries, such as the Belgian Congo, Senegal, Mali, and Niger, which ship mostly peanut, palm, and palm-kernel oils. The Community's imports from these countries increased to an average of 1.1 million tons in the 2 calendar years 1960-61 from an average of 907,000 in the 3 years 1952-54. Despite the 25 percent rise, their share in the total declined by 3 percent. The Community is expected to continue its increased rate of imports from these countries because of its protective treatment accorded to African areas because of their close relationship with France.

The Community is expected to remain a deficit area in fats and oils for a number of years. (In butter, which is excluded from the foregoing analysis, the area is on balance about self-sufficient with a tendency toward a net

Table 3.--European Economic Community: Imports of fats and oils (SITC Nos. 091, 411, 412, and 413) by origin, quantity, value, and unit value, 1951-1961 1/

Year	Total	EEC countries 2/	Total minus EEC countries	United States	Other countries 3/
	-- Thousand metric tons --				
1951	1,176	---	---	233	---
1952	1,160	190	970	229	741
1953	1,455	169	1,286	331	955
1954	1,625	188	1,437	413	1,024
1955	1,651	175	1,476	465	1,011
1956	1,660	221	1,439	534	905
1957	1,646	173	1,473	565	908
1958	1,434	156	1,278	363	915
1959	1,630	184	1,446	501	945
1960	1,966	227	1,739	599	1,140
1961	1,766	236	1,530	396	1,134
	-- Thousand dollars (cif) --				
1951	499,225	---	---	81,663	---
1952	355,108	62,618	292,490	59,998	232,492
1953	372,437	46,609	325,828	60,329	265,499
1954	409,188	46,998	362,190	88,177	274,013
1955	428,647	46,189	382,458	101,246	281,212
1956	492,114	65,718	426,396	126,985	299,411
1957	493,020	47,555	445,465	147,218	298,247
1958	381,073	39,078	341,995	84,379	257,616
1959	415,636	45,732	369,904	106,401	263,503
1960	494,667	56,954	437,713	107,980	329,733
1961	455,290	55,295	399,995	76,763	323,232
	-- Dollars/metric ton --				
1951	424.51	---	---	350.48	---
1952	306.13	329.57	301.54	262.00	313.75
1953	255.97	275.79	253.36	182.26	278.01
1954	251.81	249.99	252.04	213.50	267.59
1955	259.63	263.94	259.12	217.73	278.15
1956	296.45	297.37	296.31	237.80	330.84
1957	299.53	274.88	302.42	260.56	328.46
1958	265.74	250.50	267.60	232.45	281.55
1959	254.99	248.54	255.81	212.38	278.84
1960	251.61	250.90	251.70	180.27	289.24
1961	257.81	234.30	261.43	193.84	285.04

1/ Excludes butter.
2/ Belgium-Luxembourg, France, Italy, Netherlands, and West Germany.
3/ Total minus columns 2 and 4.

export surplus. Production, which averaged 885,000 tons in 1960-61, will increase because of the apparent inability of consumption of milk in a liquid form to keep pace with the increase in output.) No variable import levy has been set on fats and oils, but there is a common external tariff to protect EEC production of edible fats (primarily of animal origin), olive oil in Italy, and other oil produced in the associated overseas territories. Under these circumstances, the market for U.S. fats and oils is not likely to expand greatly.

Feed Grains

The volume of feed grain (barley, corn, oats, and grain sorghums) imports into the European Economic Community increased substantially during the 1950's and in 1960 as domestic feed production did not keep pace with EEC livestock and poultry output. Imports fell somewhat in 1961 (table 4 and figure 3). The 6 countries annually consumed about 30 million metric tons of feed grains on the average in the past 11 calendar years. The deficit was about 25 percent of annual use in 1960. In the 2 years 1960-61, gross imports accounted for $550 million, or 7 percent, of the area's agricultural foreign exchange bill.

Gross feed grain imports into the 6 countries increased to an average of more than 9 million tons in the 2 calendar years 1960-61 from 4.4 million in the 3 years 1951-53, with the degree of self-sufficiency declining to 75 percent from 79 percent. A rapidly growing proportion of EEC feed grain imports is intra-regional trade, mainly French shipments to the other five. This trade among member countries, which amounted to 162,000 tons in 1953, averaged more than 1.1 million in the 2 years 1960-61. As a result, intra-regional trade rose to 12 percent from 3 percent of EEC feed grain imports. Intra-EEC trade in 1962 was 47 percent below the previous year's level as lower yields held production down.

The EEC accounts for 40 percent of world imports of feed grains. This represents 7 percent of the aggregate value of agricultural imports. The United States, as a major supplying country, provides about 34 percent of annual EEC feed grain imports, which averaged 3.3 million tons in the 5-year period ending in 1961. The Netherlands, the leading buyer of U.S. feed grains, accounted for over half of U.S. shipments to the EEC in 1961. The United States, the main source of grain sorghums, supplied an average of 1.2 million tons a year in the 1959-61 period. American barley provides one-third of total EEC imports (2.8 million metric tons). Imports from the United States in 1961 did not reach earlier record levels. EEC feed grain crops were above average, and a considerable proportion of the wheat crop was diverted to feed use due to moisture damage and poor quality for bread-making. EEC imports of U.S. feed grains expanded appreciably to more than 3.9 million tons on the average in 1960-61 from 1.3 million in the 1951-53 period. The U.S. share of gross feed grain imports rose to 40 percent from 30 percent.

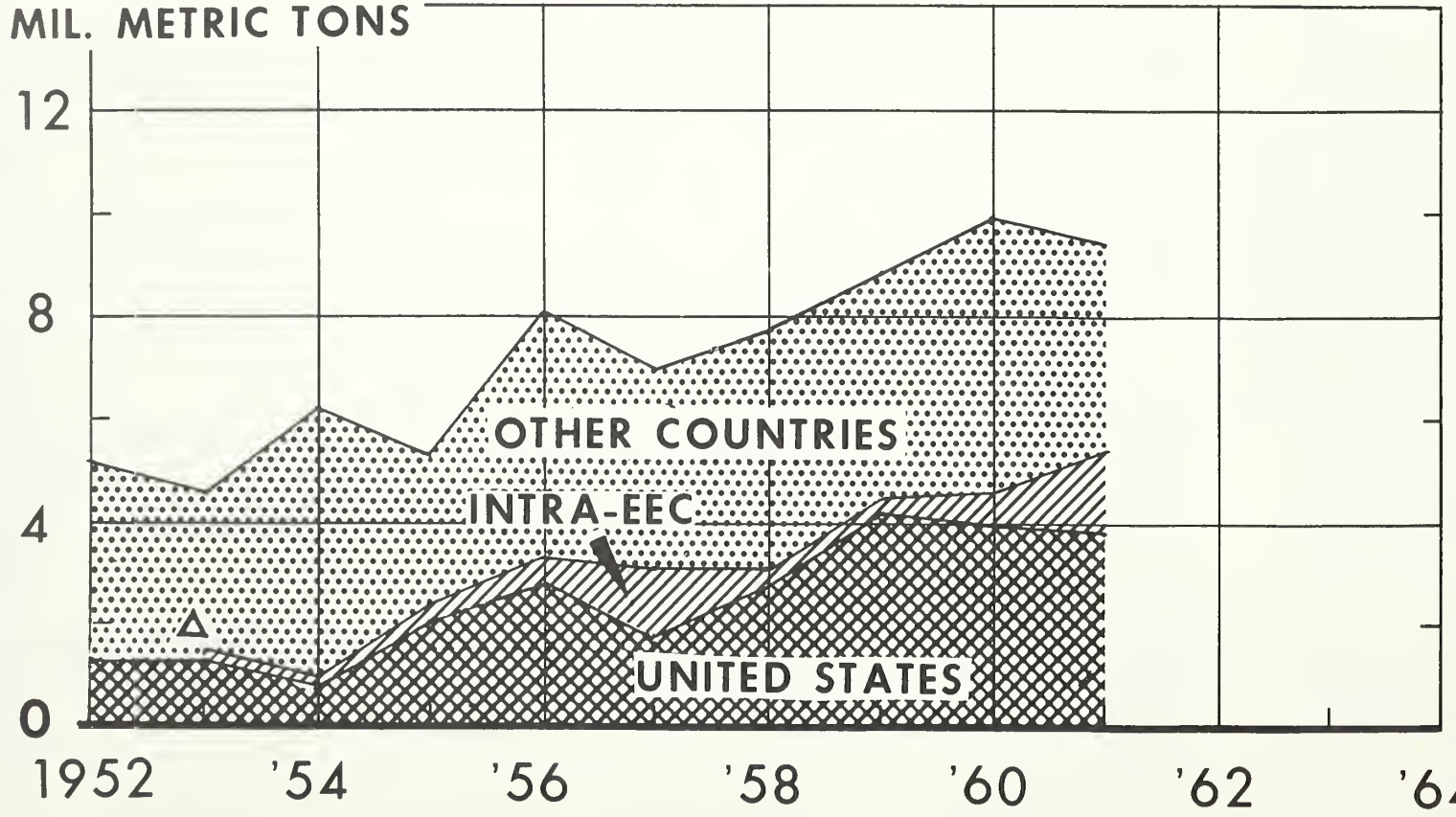
U.S. shipments of feed grains to the Community in 1962 totaled about 6 million metric tons and represented nearly half of its total imports. This 60 percent increase over the 1961 level reflected Italian trade liberalization, greater needs for livestock feeding, less wheat used for livestock feed, and less competition from other major world exporters.

Table 4.--European Economic Community: Imports of feed grains (SITC Nos. 043, 044, and 045) by origin, quantity, value, and unit value, 1951-1961

Year	Total	EEC countries 1/	Total minus EEC countries	United States	Other countries 2/
		-- Thousand metric tons --			
1951	3,282	---	---	1,206	---
1952	5,182	---	---	1,285	---
1953	4,648	162	4,486	1,309	3,177
1954	6,136	151	5,985	781	5,204
1955	5,425	256	5,169	2,123	3,046
1956	8,069	464	7,605	2,805	4,800
1957	6,947	1,261	5,686	1,863	3,823
1958	7,769	333	7,436	2,751	4,685
1959	8,824	255	8,569	4,195	4,374
1960	9,924	626	9,298	3,953	5,345
1961	9,389	1,670	7,719	3,750	3,969
		-- Thousand dollars (cif) --			
1951	316,742	---	---	100,405	---
1952	499,430	---	---	108,360	---
1953	355,115	11,960	343,155	102,392	240,763
1954	377,860	11,104	366,756	50,215	316,541
1955	368,408	18,214	350,194	130,889	219,305
1956	562,629	34,653	527,976	185,377	342,599
1957	449,117	76,592	372,525	115,693	256,832
1958	445,885	21,442	424,443	144,788	279,655
1959	517,657	16,986	500,671	231,433	269,238
1960	581,726	39,788	541,938	221,212	320,726
1961	519,150	89,385	429,765	199,467	230,298
		-- Dollars/metric ton --			
1951	96.51	---	---	83.25	---
1952	96.38	---	---	84.33	---
1953	76.40	73.83	76.49	78.22	75.78
1954	61.58	73.54	61.28	64.30	60.82
1955	67.91	71.15	67.75	61.65	72.00
1956	69.73	74.68	69.42	66.09	71.37
1957	64.65	60.74	65.52	62.10	67.18
1958	57.39	64.39	57.08	52.63	59.69
1959	58.66	66.61	58.43	55.17	61.55
1960	58.62	63.56	58.28	55.96	60.00
1961	55.29	53.52	55.68	53.19	58.02

1/ Belgium-Luxembourg, France, Italy, Netherlands, and West Germany.
2/ Total minus columns 2 and 4.

EEC* IMPORTS OF FEED GRAINS BY ORIGIN



* EUROPEAN ECONOMIC COMMUNITY
Δ 1952 INTRA-EEC TRADE NOT AVAILABLE.

U. S. DEPARTMENT OF AGRICULTURE NEG. ERS 1898-63 (4) ECONOMIC RESEARCH SERVICE

FIG. 2

Other countries, such as Argentina, Australia, and South Africa, supplied more than half of the feed grains imported by the Community in the past decade. In 1961, Italy obtained a large part of its supplies under bilateral agreements, particularly with Argentina. Australia supplied West Germany a quota of 250,000 tons on the average in 1959-60. There was considerable fluctuation in imports over the past decade. They increased 22 percent between 1953-56 and 1960-61, even though their share in total EEC feed grain imports fell to 48 percent from 70. Imports from other countries advanced to 6.1 million tons in 1962, 47 percent of total EEC imports. Imports in 1962 were 54 percent larger than in 1961.

The growing demand for animal products is bringing about an increased demand for livestock feeds within the Community. Although self-sufficiency in feed grain is not foreseen in the near future, continued progress toward self-sufficiency appears probable. In the immediate future, U.S. feed grain shipments into the Community may be expected to increase or at least be maintained at their present level. The long-run outlook depends upon target prices set annually by each member country for its internal wholesale market and on EEC wheat utilization policies.

Feeding Stuff for Animals 6/

The production of feeding stuff for animals has expanded almost everywhere in the European Economic Community but has not kept pace with demand. The Community accounts for 36 percent of world feeding stuff imports and provides a valuable market for 4 million metric tons. The average annual value was $282 million in calendar years 1960 and 1961. EEC imports expanded steadily in the 1950's, with the increase in per capita income and in demand for livestock, dairy, and poultry products. EEC imports of feeding stuff for animals accounted for 3 percent of the aggregate value of the Common Market's agricultural imports in the 2 years 1960-61 (table 5).

Trade between member countries of the EEC, which averaged 656,000 tons in 1952-54, rose to more than 1 million in 1960-61. Despite this 83 percent growth, the portion of intra-EEC imports relative to the total dropped to 30 percent from 42 percent.

The major portion of U.S. feeding stuff for animals imported by the Community was made up of oilseed meal and to a lesser extent prepared and mixed feed. Prior to 1955, there was no significant trade between the two areas. Since that year imports from the United States generally followed a rise and fall course. In 1957 and 1958, these imports were 45 percent below the 1956 level. They expanded in the next 2 years and set a record in 1960, reflecting drought conditions in the Community. As a consequence there was an unusually heavy movement of protein meal into that area. Higher prices, a good local pasture season, and improved forage and feed supplies triggered a 23 percent drop in 1961 imports below the previous year.

Imports of feeding stuff from other countries, such as Argentina and Peru, generally followed an upward trend. They rose to average more than 2 million

6/ Feeding stuff for animals includes hay and fodder, oilseed cake and meal, and meat meal and fish meal unfit for human consumption.

Table 5.--European Economic Community: Imports of feeding stuff for animals, (excluding unmilled cereals) (SITC No. 081) by origin, quantity, value, and unit value, 1951-1961

Year	Total	EEC countries 1/	Total minus EEC countries	United States	Other countries 2/
		-- Thousand metric tons --			
1951	1,339	---	---	37	---
1952	1,307	597	710	13	697
1953	1,532	531	1,001	22	979
1954	1,933	841	1,092	81	1,011
1955	1,944	901	1,043	181	862
1956	2,047	736	1,311	199	1,112
1957	2,253	954	1,299	123	1,176
1958	2,851	934	1,917	100	1,817
1959	3,671	1,151	2,520	301	2,219
1960	3,770	1,111	2,659	372	2,287
1961	4,112	1,297	2,815	287	2,528
		-- Thousand dollars (cif) --			
1951	81,475	---	---	3,533	---
1952	86,985	24,407	62,578	1,806	60,772
1953	111,160	21,888	89,272	2,312	86,960
1954	139,009	40,543	98,466	8,432	90,034
1955	149,422	47,569	101,853	16,816	85,037
1956	167,623	42,480	125,143	18,300	106,843
1957	172,526	50,720	121,806	11,095	110,711
1958	197,505	41,115	156,390	8,922	147,468
1959	284,444	61,358	223,086	22,781	200,305
1960	279,486	60,290	219,196	30,488	188,708
1961	285,123	69,399	215,724	24,108	191,616
		-- Dollars/metric ton --			
1951	60.85	---	---	95.49	---
1952	66.55	40.88	88.14	138.92	87.19
1953	72.56	41.22	89.18	105.09	88.82
1954	71.91	48.21	90.17	104.73	89.05
1955	76.86	52.80	97.65	92.91	98.65
1956	81.89	57.72	95.46	91.96	96.09
1957	76.58	53.16	93.77	90.20	94.14
1958	69.28	44.02	81.58	89.22	81.16
1959	77.48	53.31	88.53	75.68	90.27
1960	74.13	54.27	82.44	81.96	82.51
1961	69.34	53.51	76.63	84.00	75.80

1/ Belgium-Luxembourg, France, Italy, Netherlands, and West Germany.

2/ Total minus columns 2 and 4.

tons in the 2 years 1960-61 from 895,000 in 1952-54. As a result, the proportion of imports taken from other countries relative to gross EEC feeding stuff imports climbed to 61 percent from 56 percent. Imports rose to 2.5 million tons in 1961 from 2.3 million in 1960, under the impetus of greater supplies of fish meal, African peanuts, and Canadian rapeseed and flaxseed. In addition, prices declined or remained relatively stable.

The EEC has declared imports of many feedstuffs duty free since they supplement and are not competitive with local supplies. Expanding economic activity and rising standards of living in this market have fostered continuing growth in consumer demand for additional livestock and poultry products. To meet this demand the use of improved-quality mixed feeds is rapidly increasing. The use of soybean meal will rise as the efficiency of rations improves. The potential for U.S. oilseed and oilseed meal sales to the Community is encouraging.

Fruit and Nuts

Fruit and nut production and consumption in the European Economic Community rose between 1951 and 1961. The 6 countries consumed about 16 million metric tons of fresh fruit and nuts in 1961. About 85 percent of their requirements is met from domestic production, and the remainder from imports. EEC trade in all fruits and nuts expanded substantially during the past decade. Gross imports rose to an average of nearly 5 million tons in calendar years 1960-61 from 2.5 million tons on the average in 1951-53. The combined value of fruit and nuts imported from all countries reached more than $900 million in the latter period and exceeded by 135 percent the corresponding average for the earlier years. Fruit and nuts accounted for 11 percent of the total EEC agricultural import bill in the 2 years 1960-61 (table 6).

Imports between member countries more than doubled over the decade of the 1950's. A relatively large and growing proportion of total fruit and nut imports came from intra-regional trade. In the 2 years 1960-61 Belgium derived the bulk of its imports of apples and pears (an average of 32,000 and 13,400 tons, respectively) from the Netherlands, and 94 percent of its peaches (7,900 tons) from Italy. On the whole, due to the dynamic development of its fruit industry, Italy was the main internal source. West Germany was the major recipient.

Movement of fruit and nuts from the United States to the Common Market showed a continuous growth from 1951 to 1957, increasing 131 percent. In 1959, imports from the United States were below the relatively low level to which they had fallen during 1958. Availability of supplies, changing prices, and import controls affected the normal trade pattern. There was an expansionary phase in 1960 and 1961 due to liberalization policies for trade in dried fruit and nuts and fresh citrus fruit. Imports of fruit and nuts into the Community, while generally governed by factors affecting domestic supplies and purchasing power, have been inhibited greatly by import exchange controls established by the major EEC importing members.

After World War II and until fairly recently, the EEC countries restricted fruit and nut imports (considered luxury items) to improve their external financial position, and encouraged expansion of orchards and groves at home.

Table 6 .--European Economic Community: Imports of fruit and nuts, fresh, dried, and preserved (SITC Nos. 051, 052, and 053) by origin, quantity, value, and unit value, 1951-61

Year	Total	EEC countries 1/	Total minus EEC countries	United States	Other countries 2/
			-- Thousand metric tons 3/--		
1951	2,167	---	---	113	---
1952	2,424	630	1,794	127	1,667
1953	2,972	681	2,291	153	2,138
1954	2,993	636	2,357	163	2,194
1955	3,397	947	2,450	175	2,275
1956	3,328	981	2,347	268	2,079
1957	3,767	990	2,777	303	2,474
1958	4,024	871	3,153	219	2,934
1959	4,549	1,357	3,192	151	3,041
1960	4,852	1,339	3,513	170	3,343
1961	5,146	1,498	3,648	225	3,423
			-- Thousand dollars (cif) --		
1951	332,450	---	---	19,026	---
1952	390,662	89,278	301,384	23,943	277,441
1953	425,852	96,947	328,905	27,948	300,957
1954	488,485	110,156	378,329	31,853	346,476
1955	549,713	134,713	415,000	34,351	380,649
1956	668,827	165,627	503,200	65,375	437,825
1957	778,039	184,311	593,728	71,067	522,661
1958	808,510	165,602	642,908	59,019	583,889
1959	774,844	210,929	563,915	40,205	523,710
1960	845,457	225,919	619,538	48,482	571,056
1961	954,030	268,420	685,610	59,004	626,606
			-- Dollars/metric ton --		
1951	153.41	---	---	168.37	---
1952	161.16	141.71	168.00	188.53	166.43
1953	143.29	142.36	143.56	182.67	140.77
1954	163.21	173.20	160.51	195.42	157.92
1955	161.82	142.25	169.39	196.29	167.32
1956	200.97	168.83	214.40	243.94	210.59
1957	206.54	186.17	213.80	234.54	211.26
1958	200.92	190.13	203.90	269.49	199.01
1959	170.33	155.44	176.67	266.26	172.22
1960	174.25	168.72	176.36	285.19	170.82
1961	185.39	179.19	187.94	262.24	183.06

1/ Belgium-Luxembourg, France, Italy, Netherlands, and West Germany.
2/ Total minus columns 2 and 4.
3/ Product weight.

Within the last 3 years, EEC countries have removed many of their restrictions on imports of U.S. fruits. The remaining controls -- imposed initially to protect the balance of payments -- were retained as devices to protect producers at home and in associated areas.

By far the greatest part of EEC fruit and nut imports comes from other countries, such as South Africa, Spain, Argentina, Turkey, and Greece. Their share in the Community's market declined to 67 percent in 1960-61 from 71 percent in 1951-53 -- to the benefit of intra-EEC suppliers, whose share in turn rose to 29 percent from 23 percent. Greece, whose association with the Common Market became effective November 1, 1962, provided a large part of West Germany's imports of peaches and table grapes. The North African countries, particularly Algeria, have played a preponderant part in supplying France with fresh citrus fruits and grapes.

High income elasticity of demand for fruit and nuts, market development, and improved quality standards account for the increase in EEC fruit and nut imports. Domestic crops normally provide about half of total fruit and nut supplies in the Community. The expansion of demand for top grade fruit and nuts, out-of-season varieties, and fruit not grown locally, such as bananas, resulted in increased imports from outside the EEC. Under normal conditions, U.S. prunes, oranges, orange juice, and canned deciduous fruits form more than half of EEC imports of these items. The forces which were at work in the 1950's likely will continue in the immediate future.

The Common Agricultural Policy for fruit aims to stabilize prices to home producers by preventing imports of low-priced fruit and prohibiting imports of poor-quality products and to gradually liberalize trade between member countries. EEC market opportunities for U.S. fruit and nuts depend on the level of duties established, nontariff measures, and degree of response of EEC production to rising demand. If the EEC removes such nontariff restrictions as seasonal embargoes on some fruits, U.S. sales to the Community will improve.

Hides and Skins

The EEC produced about 354,000 metric tons of hides and skins annually in the 2 years 1960-61. Domestic production amounted to 48 percent of the 735,000 tons available. The strong economic position of the Community has made it an attractive market for some 50 percent of the total value of hides and skins traded internationally. Gross imports of hides and skins into the Community accounted for 3 percent of the agricultural import bill in calendar years 1960-61. Reflecting economic growth and higher standards of living, EEC imports expanded 150 percent during the past decade. Except for 1958, they followed a consistent upward course to an average of 490,000 tons in 1960-61 from 244,000 tons in 1951-53 (table 7).

Trade between member countries of the Common Market, which averaged 36,000 tons in calendar years 1952-54, or 13 percent of gross imports, rose to 119,000 in 1960-61. Growth of livestock numbers and increased slaughter have made more hides and skins available. France, Belgium-Luxembourg, and the Netherlands are the most important intra-EEC sources while West Germany is the main recipient of hides and skins from other EEC members.

Table 7.--European Economic Community: Imports of hides and skins (except fur skins) (SITC No. 211) by origin, quantity, value, and unit value, 1951-1961

Year	Total	EEC countries 1/	Total minus EEC countries	United States	Other countries 2/
		-- Thousand metric tons --			
1951	207	---	---	3	---
1952	249	27	222	4	218
1953	275	37	238	7	231
1954	286	43	243	48	195
1955	340	66	274	46	228
1956	370	65	305	32	273
1957	419	60	359	53	306
1958	389	68	321	50	271
1959	443	90	353	26	327
1960	467	110	357	41	316
1961	513	128	385	49	336
		-- Thousand dollars (cif) --			
1951	189,777	---	---	2,474	---
1952	164,703	13,016	151,687	2,681	149,006
1953	184,048	9,970	174,078	3,853	170,225
1954	175,282	19,128	156,154	19,201	136,953
1955	184,541	27,024	157,517	18,922	138,595
1956	209,175	27,109	182,066	16,380	165,686
1957	254,207	26,613	227,594	24,249	203,345
1958	206,059	26,734	179,325	20,404	158,921
1959	270,973	43,449	227,524	17,205	210,319
1960	283,110	49,951	233,159	17,828	215,331
1961	297,318	55,993	241,325	23,111	218,214
		-- Dollars/metric ton --			
1951	916.80	---	---	824.67	---
1952	661.46	482.07	683.27	670.25	683.51
1953	669.26	269.46	731.42	550.43	736.90
1954	612.87	444.84	642.61	400.02	702.32
1955	542.77	409.45	574.88	411.35	607.87
1956	565.34	417.06	596.94	511.88	606.91
1957	606.70	443.55	633.97	457.53	664.53
1958	529.71	393.15	558.64	408.08	586.42
1959	611.68	482.77	644.54	661.73	643.18
1960	606.23	454.10	653.11	434.68	681.43
1961	579.57	437.45	626.82	471.65	649.45

1/ Belgium-Luxembourg, France, Italy, Netherlands, and West Germany.

2/ Total minus columns 2 and 4.

The Common Market was a good outlet for about 49,000 tons or $23.1 million worth of hides and skins in 1961. The Netherlands and West Germany were the principal markets. U.S. shipments into the Community throughout the past decade generally have followed a fluctuating pattern. Starting from a negligible amount in 1951, they rose to 48,000 tons in 1954. In 1956, they dropped 30 percent below the 1955 level. An expansion to 53,000 tons in 1957 placed EEC imports of U.S. hides and skins at an alltime high, two-thirds above the 1956 level. Part of the 1957 advance was due to lower U.S. prices and improved marketing methods by U.S. dealers. In 1959, EEC imports were down 50 percent from 1957 as increased demand reduced U.S. and Argentine supplies. Thereafter, imports advanced to 49,000 tons in 1961, 4,000 below the 1957 record.

The largest part of EEC import requirements of hides and skins is met by imports from other countries, such as Argentina, Australia, and India. EEC imports rose 52 percent to 326,000 tons in calendar years 1960-61 from 215,000 tons in 1952-54. Many members of the Common Market took their supplies from Argentina under multilateral trade and payments agreements. However, the expansion of both intra-regional and U.S. imports reduced the relative share from other countries to 66 percent from 80 percent. Conditions governing production and exports in the main supplying countries largely influenced the changes in this pattern of imports.

Shipments of hides and skins into the EEC probably will continue at the present level, because present regulations provide for free imports. The outlook is favorable for the long-term future of U.S. hides and skins in the Common Market. However, as the result of competition from plastics, problems may arise that could outweigh any increase in U.S. sales due to improved standards of living in the Community.

Meats

Imports of meats (including beef and pork variety meats and poultry meat) by the six countries of the Common Market form a significant proportion of total world imports. Both volume and value more than tripled over the past decade. Gross meat imports of the Community increased to more than half a million metric tons in calendar years 1960 and 1961 from 165,000 in the early 1950's, accounting for nearly 5 percent of the agricultural foreign exchange bill in 1961. During the past decade, meat consumption in the Community, measured in value, rose by 40 percent; domestic production, by 35 percent; and net imports by 73 percent.

Meat production in the 6 countries of the Common Market provides 94 percent of consumption. Imports from outside the Community contribute only an estimated 6 percent of the consumption of all meats. Prospects suggest a significant growth in the demand for meats in the six countries, especially poultry meat. Since the common agricultural and import policies probably will stimulate further EEC expansion, production of meats in the Community is likely to almost keep pace with demand. Larger imports from outside the region would result, however, if a high rate of income growth caused demand to grow faster than production.

Rising supplies of meats originating within the six Community countries form a growing share of the Community's meat market. Trade between countries now forming the Common Market amounted to an average 38,000 tons in 1951-53 and rose to an average of 222,000 in 1960-61. The intra-EEC share of all the Community's meat imports advanced to 38 percent from 23 percent (table 8). The principal suppliers of meats within the region are Netherlands and France. Rapid expansion of intra-Community trade reduced the relative share of supplies imported from other nations, notably Denmark and Latin America. Intra-EEC exchanges of meat will be affected further by liberalization policies promoted by the Community.

Movement of meat supplies into the Community from the United States showed a remarkable growth during the 1950's. These imports averaged 18,000 tons in the 3 calendar year 1951-53 and rose to an average of 84,000 in the 2 years 1960-61. The upward trend represented a nearly four-fold increase; and, as a result, the U.S. share of all EEC meat imports rose to 15 percent from 11 percent. The bulk of U.S. meats in the EEC market consisted of variety and poultry meats. A tremendous growth in EEC poultry imports from the United States occurred in recent years.

Argentina and Denmark are the most important of the other countries which supplied more than half of the Community's meat imports. These imports from other countries rose to 276,000 tons on the average in 1960-61 from 108,000 in 1951-53. Notwithstanding the 155 percent growth in these imports, the share of other countries in total EEC meat imports fell from 66 percent to 47 percent. The United States picked up some of the loss, but the greater part was made up by larger intra-EEC exchanges.

The development of the Community so far has favorably affected meat imports from the United States because of the growth in EEC national income and consumer purchasing power. However, EEC regulations for beef and pork variety meats have not yet been implemented. With implementation of these regulations, pork variety meat will be subject to an import levy and gate price system, and beef variety meats will be subject to an import certificate requirement. However, the new common external tariff for beef and pork variety meats has been set at 20 percent ad valorem -- a rate which has been bound under the General Agreement on Tariffs and Trade in negotiations that took place in early 1962. As a result of binding, duties or other restrictive regulations should not exceed the bound rate of 20 percent ad valorem. This rate is substantially higher than the previous duties imposed by the individual EEC countries, and the higher duties will no doubt have an adverse effect on U.S. trade.

The EEC regulations on poultry have erected such high gate prices and levies as to seriously threaten the excellent market for U.S. poultry in West Germany. Retail poultry prices have been forced up 15 to 20 percent, and consumer demand has thus been reduced. At the same time, added impetus has been given to broiler production within the Community. West Germany is the leading market for U.S. poultry.

Table 8.--European Economic Community: Imports of meat, fresh, chilled or frozen (SITC No. 011) by origin, quantity, value, and unit value, 1951-1961

Year	Total	EEC countries 1/	Total minus EEC countries	United States	Other countries 2/
		-- Thousand metric tons --			
1951	168	25	143	7	136
1952	163	36	127	19	108
1953	163	54	109	28	81
1954	190	82	108	26	82
1955	250	102	148	34	114
1956	372	85	287	40	247
1957	407	94	313	34	279
1958	422	106	316	30	286
1959	496	157	339	55	284
1960	597	234	363	71	292
1961	568	210	358	97	261
		-- Thousand dollars (cif) --			
1951	93,003	18,773	74,230	2,655	71,575
1952	94,705	23,892	70,813	8,189	62,624
1953	82,910	23,868	54,042	12,248	41,794
1954	104,895	44,675	60,220	12,892	47,328
1955	133,134	55,722	77,412	14,501	62,911
1956	189,244	48,514	140,730	17,817	122,913
1957	222,736	61,417	161,319	16,785	144,534
1958	238,827	65,802	173,025	16,955	156,070
1959	284,667	97,494	187,173	29,272	157,901
1960	358,009	147,588	210,421	38,022	172,399
1961	332,770	135,394	197,376	53,730	143,646
		-- Dollars/metric ton --			
1951	553.59	750.92	519.09	379.28	526.29
1952	581.01	663.67	557.58	431.00	579.85
1953	508.65	534.59	495.80	437.43	515.98
1954	552.08	544.82	557.59	495.85	576.07
1955	532.54	542.29	523.05	426.50	551.85
1956	508.72	570.75	490.35	445.42	497.62
1957	547.26	653.37	515.40	493.68	518.04
1958	565.94	620.77	547.55	565.17	545.70
1959	573.92	620.98	552.13	532.22	556.02
1960	599.68	630.72	579.67	535.52	590.41
1961	585.86	644.73	551.33	553.92	579.44

1/ Belgium-Luxembourg, France, Italy, Netherlands, and West Germany.
2/ Total minus columns 2 and 4.

Oilseeds, Oil Nuts, and Oil Kernels

EEC production of oilseeds, oil nuts, and oil kernels averaged 337,000 metric tons each year between 1951 and 1961. Rapeseed is the only oilseed grown in quantity. Virtually all of it is produced in France and West Germany. Climatic conditions, traditional rotations, and concentration on livestock production prevent an increase in EEC output. The Community takes a large percentage of the quantities moving in world trade and depends on imports for practically all its requirements. EEC imports of oilseeds accounted for 7 percent of the area's agricultural foreign exchange bill in 1961.

Apart from a minor setback in 1958, EEC oilseed imports showed a strong and continuous growth during the 1950's (table 9 and figure 4). Imports rose to nearly 4 million metric tons from 2 million. The increase in oilseed demand reflected increased feed and industrial uses. Flaxseed and related oilseeds are basic materials in paints, varnishes, and many other products. Soybeans are important in the production of margarine and salad oils.

There is little intra-EEC trade in oilseeds. The 37,000 tons in calendar year 1961 represented less than 1 percent of EEC's total oilseed imports.

The Common Market has been a key outlet for U.S. oilseeds such as soybeans and flaxseed as well as large and increasing quantities of oilseed meal. The United States has been the largest single supplier of oilseeds to the Common Market. Imports increased to average over 1.5 million tons in 1960-61, more than 6 times the 231,000 tons in 1951-53. With such vigorous expansion, the U.S. share in the EEC import market climbed to 40 percent from 11 percent while the share of other suppliers declined.

Canada, Nigeria, the Philippines, Senegal, Mali, Niger, and other countries provide the greatest part of EEC imports. These countries send peanuts, palm kernels, soybeans, flaxseed, and rapeseed. Canadian flaxseed and rapeseed occupy a strong market position in the Community. France extended protection to domestic rapeseed and to oilseeds (mainly peanuts) produced in its associated overseas countries. Imports from overseas countries other than the United States increased to 2.3 million tons in 1960-61 from 1.6 million in 1952-54. Despite the 43 percent growth, the share of these countries in the EEC import market declined to 60 percent from 83 percent.

The United States is interested in the EEC oilseed import market. The potential for U.S. oilseed sales to the Community is encouraging, with the growing mixed feed industry providing a basis for much of the expanding market. Present regulations permitting free imports of oilseeds and oilseed meal are expected to continue.

Rice

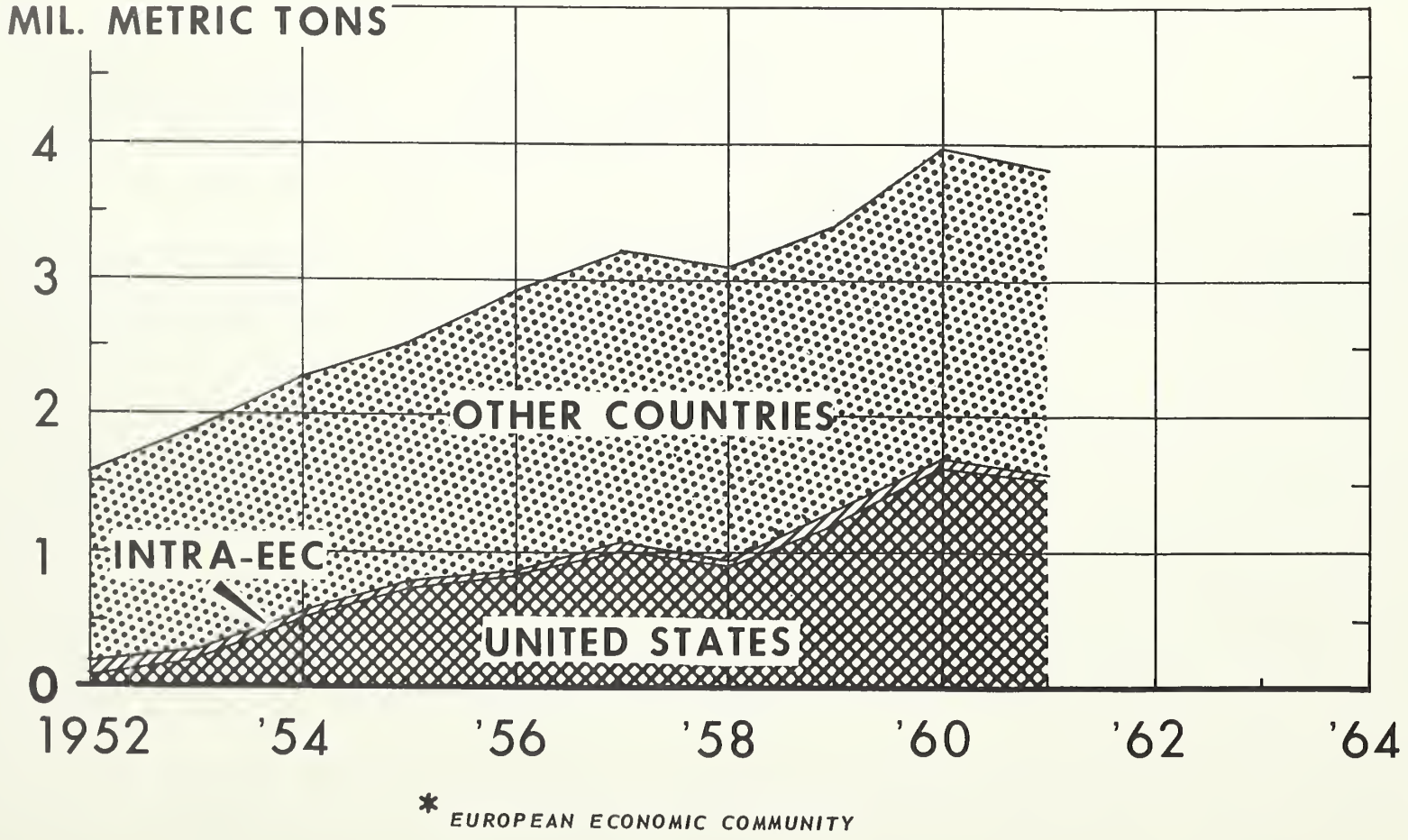
EEC provides a market for 340,000 metric tons (milled basis) of the world's rice trade, or about 4 percent of world rice trade in recent years. Four EEC countries produce no rice. Annual production in France and Italy averaged 766,000 tons in calendar years 1960 and 1961. Consumption in the Community as a whole rose slowly during the 1950's, largely reflecting population growth.

Table 9.--European Economic Community: Imports of oilseeds, oil nuts, and oil kernels (SITC No. 221) by origin, quantity, value, and unit value, 1951-1961

Year	Total	EEC countries 1/	Total minus EEC countries	United States	Other countries 2/
	-- Thousand metric tons --				
1951	2,385	---	---	287	---
1952	1,641	41	1,600	166	1,434
1953	1,940	24	1,916	241	1,675
1954	2,305	21	2,284	504	1,780
1955	2,572	17	2,555	711	1,844
1956	2,937	23	2,914	864	2,050
1957	3,202	32	3,170	1,041	2,129
1958	3,171	30	3,141	903	2,238
1959	3,471	20	3,451	1,297	2,154
1960	3,989	25	3,964	1,612	2,352
1961	3,866	37	3,829	1,509	2,320
	-- Thousand dollars (cif) --				
1951	488,340	---	---	34,258	---
1952	304,392	7,767	296,625	23,610	273,015
1953	341,676	4,595	337,081	28,521	308,560
1954	395,331	3,753	391,578	59,017	332,561
1955	406,233	3,206	403,027	78,828	324,199
1956	475,446	4,383	471,063	101,907	369,156
1957	505,425	5,666	499,759	110,910	388,849
1958	474,935	5,359	469,576	88,567	381,009
1959	501,971	3,777	498,194	125,583	372,611
1960	557,217	4,496	552,721	149,894	402,827
1961	549,703	6,011	543,692	161,086	382,606
	-- Dollars/metric ton --				
1951	204.75	---	---	119.36	---
1952	185.49	189.44	185.39	142.23	190.39
1953	176.12	191.46	176.93	118.34	184.21
1954	171.51	178.71	171.44	117.10	186.83
1955	157.94	188.59	157.74	110.87	175.81
1956	161.88	190.56	161.65	117.95	180.08
1957	157.85	177.06	157.65	106.54	182.64
1958	149.77	178.63	149.50	98.08	170.24
1959	144.62	188.85	144.36	96.82	172.98
1960	139.69	179.84	139.44	92.99	171.27
1961	142.19	162.46	141.99	106.75	164.92

1/ Belgium-Luxembourg, France, Italy, Netherlands, and West Germany.
2/ Total minus columns 2 and 4.

EEC* IMPORTS OF OILSEEDS, OIL NUTS, AND OIL KERNELS BY ORIGIN



* EUROPEAN ECONOMIC COMMUNITY

U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 1899-63 (4) ECONOMIC RESEARCH SERVICE

FIG. 4

The policy to restrict rice imports is reflected in the statement of the Commission that "there will be a continuing deficit of about 100,000 tons of broken rice used for animal feed and industry, but that Italy and France (plus Madagascar) could in principle meet the human consumption requirements of the whole Community." 7/ The average value of gross imports was $39 million in 1960-61.

Gross rice imports into the Community increased to 354,000 tons in 1960-61 from 208,000 in 1951-53 (table 10). Not all countries shared equally in EEC's expanded rice market. There were changes from one year to another, and imports reached a record level in 1959. Rice shipments into the Community in 1961 were 22 percent below the levels of the preceding 2 years.

Intra-EEC trade in rice showed divergent tendencies but followed a declining course. Imports between member countries, which amounted to 92,000 tons in 1951-53, or 46 percent of gross imports, dropped to 35,000 tons in 1960-61, or 10 percent of the total. During this period the bulk of Italy's rice exports went to non-Community countries, while importing EEC members obtained rice from suppliers outside the EEC. Of the 11-year average gross imports of 301,000 tons, only 56,000 were purchased within the Community. Since imports of rice into Belgium-Luxembourg, Netherlands, and West Germany are free of Government control, these extra-regional purchases presumably reflected consumer tastes, competitive prices, and quality considerations.

U.S. shipments of rice into the Community increased to 80,000 tons in 1960-61 from 7,000 in 1952-54. The long-grain rice imported from the United States is not produced in the Community. Italy grows round rice and some medium-grain type rice, and France is almost self-sufficient in round grain. The preference for long-grain rice and the relative high quality of American short-grain rice caused the U.S. share of total imports into the Community to rise sharply in recent years. About 32 percent of rice imports into the Community originated in the United States in 1961 compared with 16 percent in 1960 and 9 percent in 1957. 8/ Expanded U.S. rice sales in Europe have been for dollars.

Egypt, Thailand, Burma, and other countries provided more than half of the EEC rice imports. Imports from these countries increased to 240,000 tons in 1960-61 from 109,000 in 1952-54, and their share of EEC rice imports rose to 66 percent from 54 percent.

Self-sufficiency for the six countries would change the pattern of trade in rice. Adoption of a preferential tariff in the EEC area will greatly affect the trade picture. The EEC consumer preference for long-grain rice may influence the Community's tariff in such a way that imports from the United States will continue to be an important factor, otherwise the U.S. rice industry will suffer a severe setback.

7/ Agricultural commodities and the European Common Market, FAO, Rome 1962, page 26. Madagascar is now the Malagasy Republic.

8/ Imports by the 4 importing countries -- Belgium-Luxembourg, Netherlands, and West Germany -- from the United States accounted for 37 percent of total EEC rice imports in 1961, and 20 percent in 1960. For 1962, imports from the United States apparently reached 39 percent of the total.

Table 10.--European Economic Community: Imports of rice (SITC No. 042) by origin, quantity, value, and unit value, 1951-1961

Year	Total	EEC countries 1/	Total minus EEC countries	United States	Other countries 2/
	-- Thousand metric tons --				
1951	293	105	188	---	---
1952	141	68	73	4	69
1953	191	104	87	7	80
1954	256	68	188	9	179
1955	363	34	329	23	306
1956	352	67	285	66	219
1957	302	17	285	28	257
1958	300	35	265	19	246
1959	401	48	353	87	266
1960	398	38	360	64	296
1961	310	31	279	95	184
	-- Thousand dollars (cif) --				
1951	43,895	18,420	25,475	---	---
1952	24,650	12,413	12,237	607	11,630
1953	39,889	22,115	17,774	1,230	16,544
1954	38,654	12,170	26,484	1,469	25,015
1955	43,630	5,143	38,487	1,689	36,798
1956	46,136	8,623	37,513	5,526	31,987
1957	41,006	2,602	38,404	3,016	35,388
1958	38,970	4,976	33,994	2,525	31,469
1959	45,464	6,249	39,215	9,753	29,462
1960	41,279	4,790	36,489	7,342	29,147
1961	36,404	4,302	32,102	11,077	21,025
	-- Dollars/metric ton --				
1951	149.81	175.43	135.50	---	---
1952	174.82	182.54	167.63	151.75	168.55
1953	208.84	212.64	204.30	175.71	206.80
1954	150.99	178.97	140.87	163.22	139.75
1955	120.19	151.26	116.98	73.43	120.25
1956	131.07	128.70	131.62	83.73	146.06
1957	135.78	153.06	134.75	107.71	137.70
1958	129.90	142.17	128.28	132.89	127.92
1959	113.38	130.19	111.09	112.10	110.76
1960	103.72	126.05	101.36	114.72	98.47
1961	117.43	138.77	115.06	116.60	114.27

1/ Belgium-Luxembourg, France, Italy, Netherlands, and West Germany.

2/ Total minus columns 2 and 4.

Tobacco

Tobacco is grown in four EEC countries -- Belgium, France, Italy, and West Germany. Production averaged 156,000 metric tons in 1955-60. In 1961, the crops were reduced sharply to 50,000 tons because of blue-mold disease; but in 1962, as a result of effective disease control, production recovered to 92,000 tons. Consumption is increasing and future demand is expected to expand with income gains and population growth.

EEC imports of tobacco expanded appreciably during the past decade, climbing to 206,000 tons on the average in 1960-61 from 137,000 in 1951-53 (table 11). Increased imports in recent years were needed to make up deficiencies in domestic supplies. In 1961 and 1962 some countries of the Community increased their stocks in anticipation of the sharp increase in duty rates in mid-1962.

In the early part of the 1950's there was relatively little trade in raw tobacco among the six countries, with the exception of imports from Italy by the other five. In 1955, 6,000 tons moved in intra-EEC trade, about 4,000 of which came from Italy. In 1961, 22,000 tons were imported from the member countries, with 9,000 imported from Italy by the other 5. Italy has been attempting to expand tobacco production and likely will increase its exports to the other EEC countries. Intra-EEC imports in the 2 years 1960-61 averaged 350 percent above the 1951-53 level. Due to this strong rate of growth, member countries enlarged their share of total EEC imports to 9 percent from 3 percent.

The EEC as a group has a wide range of non-European as well as European suppliers, with the United States providing annually about one-third of such imports. The United States is the largest outside supplier. West Germany, the leading buyer of U.S. tobacco, increased its takings to nearly 31,000 tons in 1961. U.S. shipments into the Community have been well maintained on an absolute quantity basis but have not shared proportionately in the growth in total EEC tobacco imports. The U.S. share of Common Market tobacco imports was down to 28 percent in calendar years 1960-61 compared with an average of 37 percent in 1951-53.

Substantial quantities of EEC imports came from areas such as Greece, Rhodesia-Nyasaland, Turkey, Bulgaria, and Latin America. Rhodesian flue-cured tobacco is rapidly gaining ground in the expanding West European market. Between 1956 and 1960 its share in EEC imports increased to nearly 10 percent from 3 percent, largely at the expense of imports from the United States. EEC imports climbed from 75,000 to 134,000 tons annually over the 1951-61 period. Though the volume of imports expanded, their share in total EEC imports remained unchanged.

Most EEC countries are directing their tobacco purchasing activities toward certain areas for specified political and economic reasons. Through association agreements, the EEC granted duty-free entry for tobacco from Greece and associated areas of Africa. This is expected to assure increased imports from Africa. In addition, some EEC countries import tobacco under bilateral arrangements with certain trading partners. There also has been a gradual shift to the import of lower-quality cigarette-type tobaccos, especially from Africa and Asia.

Table 11.--European Economic Community: Imports of tobacco, unmanufactured (SITC No. 121) by origin, quantity, value, and unit value, 1951-1961

Year	Total	EEC countries 1/	Total minus EEC countries	United States	Other countries 2/
	-- Thousand metric tons --				
1951	135	5	130	55	75
1952	135	3	132	46	86
1953	142	4	138	51	87
1954	173	5	168	56	112
1955	169	6	163	53	110
1956	167	6	161	52	109
1957	171	6	165	53	112
1958	177	8	169	51	118
1959	179	9	170	46	124
1960	198	14	184	58	126
1961	214	22	192	58	134
	-- Thousand dollars (cif) --				
1951	132,148	4,897	127,251	56,786	70,465
1952	140,738	2,882	137,856	53,899	83,957
1953	157,125	4,254	152,871	61,278	91,593
1954	198,692	3,701	194,991	71,241	123,750
1955	196,799	4,146	192,653	68,426	124,227
1956	199,852	5,713	194,139	64,173	129,966
1957	212,853	6,492	206,361	69,879	136,482
1958	215,507	8,875	206,632	73,403	133,229
1959	204,946	10,878	194,068	68,399	125,669
1960	228,018	20,519	207,499	83,645	123,854
1961	246,140	35,407	210,733	86,406	124,327
	-- Dollars/metric ton --				
1951	978.87	978.40	978.85	1,032.47	939.53
1952	1,042.50	960.67	1,044.36	1,171.72	976.24
1953	1,106.51	1,063.50	1,107.76	1,201.53	1,052.79
1954	1,148.51	740.20	1,160.66	1,272.16	1,104.91
1955	1,164.49	691.00	1,181.92	1,291.06	1,129.34
1956	1,196.72	952.17	1,205.83	1,234.10	1,192.35
1957	1,244.75	1,082.00	1,250.67	1,318.47	1,218.59
1958	1,217.55	1,109.38	1,222.67	1,439.27	1,129.06
1959	1,144.95	1,208.67	1,141.58	1,486.93	1,013.46
1960	1,151.61	1,465.64	1,127.71	1,442.16	982.97
1961	1,150.19	1,609.41	1,097.57	1,489.76	927.81

1/ Belgium-Luxembourg, France, Italy, Netherlands, and West Germany.
2/ Total minus columns 2 and 4.

The United States seems likely to continue to experience a decreasing share of an increasing import market. This will be accentuated unless there is a sharp reduction in the present EEC duty rate, which is considerably higher than those formerly in effect in most member countries. The new external duty of 28 percent ad valorem penalizes U.S. high-quality leaf as such leaf is also higher priced than competitive imports. U.S. tobacco is used in the EEC for blending with lower-quality tobaccos produced elsewhere. EEC manufacturers are using a higher proportion of lower-quality tobaccos in their blends as EEC smokers buy more cigarettes containing a smaller proportion of U.S. leaf.

Wheat and Grain Equivalent of Flour

The 6 EEC countries produce over half of Western Europe's and more than 10 percent of the world's output of wheat. The degree of self-sufficiency increased in the EEC as a whole to 93 percent in recent years from 80 percent in 1951-53. The Community consumes annually about 28 million metric tons of wheat.

Gross wheat imports into the 6 Community countries declined to 4.5 million tons in calendar year 1960 from 5.9 million in the early 1950's (table 12 and figure 5). The downward trend in gross imports into the EEC was interrupted in 1961, however, when imports advanced to 7.2 million tons, largely on account of the Italian crop failure of 1960 and a reduction in the area sown to winter wheat in France in the fall of 1960. EEC imports represent 15 percent of world imports. In calendar years 1960 and 1961, the value of gross imports into the Community averaged $418 million, or 5 percent of the Common Market's agricultural import bill. This compared with 9 percent in 1951-53. Principal import demand is for high-quality wheat suitable for blending with soft wheat produced in Europe.

Imports of wheat among Common Market countries, which averaged 190,000 tons in 1951-53, or 3 percent of gross EEC imports, rose to more than half a million tons in recent years, or 13 percent of gross wheat imports. France stood out as the most important Community source of wheat, providing 88 percent of intra-regional deliveries in 1961; and West Germany appeared as the main recipient, absorbing 82 percent of intra-Community trade. However, in 1962, EEC importing countries were reluctant to buy French wheat. Since production in the other member countries was at a peak, they required little soft wheat, the only kind France can supply in quantity. The major EEC wheat importers, West Germany and the Netherlands, needed hard wheat for blending with soft varieties.

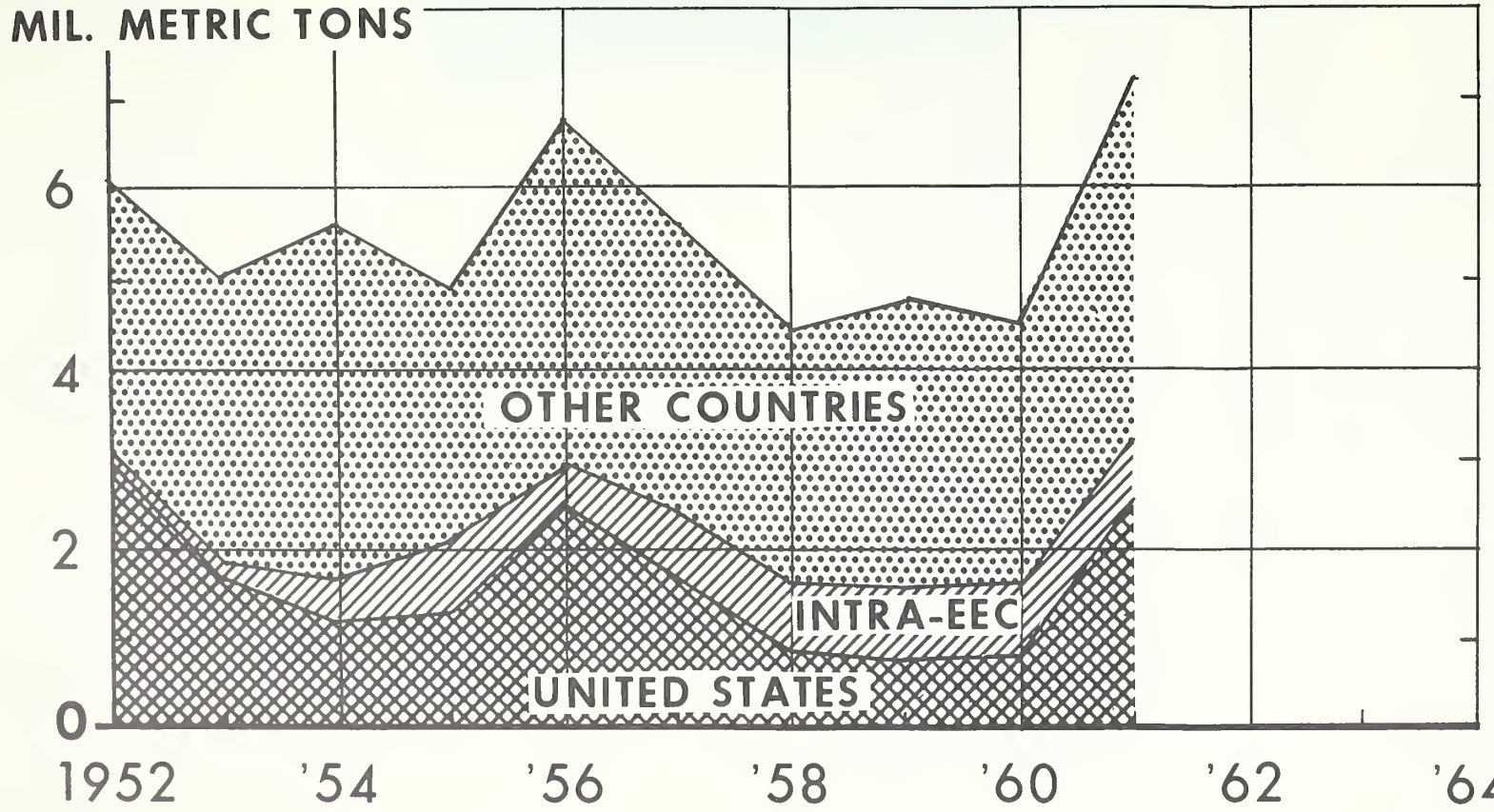
The present EEC countries provide a good market for U.S. wheat, which made up 2 percent of their total agricultural foreign exchange bill in 1961. Italy, the Netherlands, and West Germany were the major buyers. The United States was a supplier of soft and hard wheats, which varied in amount from year to year with the size of the Community's crop, but the U.S. share has been declining. The Community obtained 45 percent of its wheat imports from the United States in 1951-53, but only 18 percent in 1960. The postwar recovery of Europe, substantial increases in output, and trade with competing countries explain this reduction. However, the decline in takings from the United

Table 12.--European Economic Community: Imports of wheat and grain equivalent of wheat flour (SITC Nos. 041 and 046) by origin, quantity, value, and unit value, 1951-1961

Year	Total	EEC countries 1/	Total minus EEC countries	United States	Other countries 2/
		-- Thousand metric tons --			
1951	6,846	278	6,568	3,637	2,931
1952	6,085	92	5,993	2,990	3,003
1953	5,036	203	4,833	1,707	3,126
1954	5,601	446	5,155	1,204	3,951
1955	4,887	728	4,159	1,338	2,821
1956	6,756	386	6,370	2,556	3,814
1957	5,617	684	4,933	1,740	3,193
1958	4,434	767	3,667	870	2,797
1959	4,749	805	3,944	775	3,169
1960	4,493	821	3,672	813	2,859
1961	7,197	654	6,543	2,577	3,966
		-- Thousand dollars (cif) --			
1951	625,374	24,089	601,285	316,430	284,855
1952	574,577	8,418	566,159	271,878	294,281
1953	456,597	18,209	438,388	138,310	300,078
1954	442,283	30,826	411,457	84,392	327,065
1955	400,079	48,817	351,262	95,498	255,764
1956	547,528	28,182	519,346	191,985	327,361
1957	441,289	43,183	398,106	136,967	261,139
1958	315,541	41,375	274,166	58,891	215,275
1959	324,167	45,221	278,946	50,767	228,179
1960	306,502	45,120	261,382	53,120	208,262
1961	529,821	36,715	493,106	188,744	304,362
		-- Dollars/metric ton --			
1951	91.35	86.65	91.55	87.00	97.19
1952	94.42	91.50	94.47	90.93	98.00
1953	90.67	89.70	90.71	81.02	95.99
1954	78.96	69.12	79.82	70.09	82.78
1955	81.86	67.06	84.46	71.37	90.66
1956	81.04	73.01	81.53	75.11	85.83
1957	78.56	63.13	80.70	78.72	81.78
1958	71.1	53.94	74.76	67.69	76.97
1959	68.26	56.18	70.73	56.51	72.00
1960	68.22	54.96	71.18	65.34	72.84
1961	73.62	56.14	75.36	73.24	76.74

1/ Belgium-Luxembourg, France, Italy, Netherlands, and West Germany.
2/ Total minus columns 2 and 4.

EEC* IMPORTS OF WHEAT AND GRAIN EQUIVALENT OF FLOUR BY ORIGIN



* EUROPEAN ECONOMIC COMMUNITY

U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 1900-63 (4) ECONOMIC RESEARCH SERVICE

FIG. 5

States was reversed in 1961, when imports more than trebled the previous year's volume and accounted for 36 percent of EEC wheat imports. This increase over 1960 resulted from a short 1961 Community crop. The downward trend of U.S. wheat imports into the Community was resumed in 1962 when imports totaled 769,000 tons compared with 2.5 million in 1961. This sharp decline stemmed mainly from improved wheat production in the Community.

In 1960, other countries such as Canada, Argentina, and the USSR supplied a large part of EEC imports. The share of the Community's imports supplied by these countries was 39 percent, 10 percent, and 9 percent, respectively. Imports from these 3 and other countries into the Community, which averaged 3 million tons in 1951-53, rose to about 4 million in 1961. Their share of total EEC wheat imports increased to 55 percent from 51 percent. U.S. supplies moving into the Community dropped to 813,000 tons in 1960 from 2.8 million in 1951-53 while Canadian imports into the Community of about 1.5 million tons, on the whole, remained stable during this period. Canada has been the main source of wheat imports, especially hard red wheat.

The future market for wheat imports into the Community is significant for the United States. The Community has moved in recent years toward a self-sufficient position in wheat. This, along with the inauguration of the variable import levy system in August 1962, has developed further protectionist policies of the EEC. This and other factors have darkened the outlook for U.S. wheat imports into the Community, except for quality wheat.